



# NEWSLETTER



September 2011

## TENNESSEE FSA Office

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**Hours**  
Monday - Friday  
7:30 a.m. - 4:30 p.m.

## State Staff

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## A Message From Secretary Vilsack

Some recent news stories have focused on suspicions and rumors about the Obama administration's work on agriculture. The truth is that the President, EPA Administrator Jackson and I are listening to farmers, ranchers and producers so we can be the best possible partner for successful operations. These efforts are helping farmers enjoy some of the best incomes they have seen in decades.

Sadly, rumors and misconceptions have become the norm, not the exception, especially when it comes to regulations and how they might affect our nation's producers.

First, it was that the Environmental Protection Agency (EPA) was considering treating spilled milk like an oil spill. Not true. And in terms of water regulations, EPA has made it clear that recent rules do not seek to regulate land that occasionally ponds during heavy rains.

Regulation of farm dust is another frequently repeated myth, based on a congressionally-mandated review that the EPA has conducted every 5 years for decades. We all know you can't farm without dust. And EPA has no plans to propose stricter standards.

And the Department of Transportation announced just last week that it has no intention of proposing any new regulations or rules on the transport of agricultural products, farm machinery, or farm supplies to or from a farm.

Perhaps more importantly, the Obama Administration has worked to be the most accessible and collaborative in history. The President and I are listening to farmers, ranchers and other producers and actively collaborating across the federal

government to help everyone understand the facts of American agriculture.

I maintain a regular dialogue with Lisa Jackson at EPA and we even visited farms in Iowa together. The collaborative partnership we enjoy is reflected in our policies: pursuing common-sense standards that will give farmers a seat at the table and let them make the decisions they feel are best for their own operations.

One result of this sort of collaboration is that in 2009 and 2010, the federal government issued fewer new rules than it did in 2007 and 2008.

As you hear from producers about their concerns, I know you will continue to be helpful in providing them with the information they need to help their operations succeed, and not to get caught up in rumor or exaggeration. And you should urge folks with additional questions to contact the EPA directly, where they should be able to get further help in separating fact from fiction.

EPA and USDA understand that if we are going to solve the major environmental challenges of our time – combating climate change, reducing soil erosion, and ensuring an ample supply of clean water and healthy food for our families – farmers must help lead the way.

## 2011 ELAP and LIP Sign-Up

The USDA Farm Service Agency's Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish Program (ELAP) and the Livestock Indemnity Program (LIP) has sign-up deadlines approaching.

Fact sheet for these programs can be found at [www.fsa.usda.gov](http://www.fsa.usda.gov); click on Newsroom, then Fact Sheets.

We encourage all producers who have suffered a disaster due to the recent severe weather conditions to read the fact sheets and  
Continued on Page 2: 2011 ELAP

Continued From Page 1: 2011 ELAP visit the local FSA office to get a quick start in the recovery process.

Both ELAP and LIP sign-ups require a Notice of Loss filed the earlier of:

- 30 calendar days of when the loss is apparent to the participant.
- Oct. 31, 2011.
- or no later than January 30, 2012.

## Emergency Farm Loans

USDA's Farm Service Agency (FSA) provides emergency loans to help producers recover from production and physical losses due to drought, flooding, other natural disasters, or quarantine.

### Loan Uses

Emergency loan funds may be used to:

- Restore or replace essential property;
- Pay all or part of production costs associated with the disaster year;
- Pay essential family living expenses;
- Reorganize the farming operation and;
- Refinance certain debts.

Further information and applications for the loan programs described are available at local FSA county offices.

## NAP Loss Filing

The CCC-576, Notice of Loss, is used to report failed acreage and prevented planting and may be completed by any producer with an interest in the crop. Timely filing a Notice of Loss is required for all crops including grasses. For losses on crops covered by the Non-Insured Crop Disaster Assistance Program (NAP) and crop insurance, you must file a CCC-576 (Notice of Loss) in the FSA county office within 15 days of the occurrence of the disaster or when losses become apparent.

If filing for prevented planting, an acreage report and CCC-576 must be filed within 15 calendar days of the final planting date for the crop.

## AFIDA

Any foreign person who acquires, transfers, or holds any interest, other than a security interest, in agricultural land in the

United States is required by law to report the transaction no later than 90 days after the date of the transaction. They must file Agricultural Foreign Investment Disclosure Act (AFIDA) reports with the FSA county office that maintains reports for the county where the land is located.

For AFIDA purposes, agricultural land is defined as any land used for farming, ranching or timber production, if the tracts total 10 acres or more.

For more information contact the FSA office near you or visit the USDA website at [www.usda.gov](http://www.usda.gov).

## Hispanic and Women Farmers

A process to resolve the claims of Hispanic and women farmers and ranchers who believe they were discriminated against when seeking USDA farm loans has been established.

If you believe that the United States Department of Agriculture (USDA) improperly denied farm loan benefits to you between 1981 and 2000 because you are Hispanic, or because you are female, you may be eligible to apply for compensation.

For additional information contact:

### •Hispanic and Women Farmer Claims Process:

[www.farmerclaims.gov](http://www.farmerclaims.gov) or call 1-888-508-4429.

### •Pigford – The Black Farmers Discrimination Litigation:

[www.blackfarmercase.com](http://www.blackfarmercase.com) or call 1-866-950-5547.

### •Keepseagle - The Native American Farmers Class Action Settlement:

[www.IndianFarmClass.com](http://www.IndianFarmClass.com) or call 1-888-233-5506.

## SAFE Conservation Projects

Enrollment in Tennessee State Acres for Wildlife Enhancement (SAFE) continues. SAFE is a component of the Conservation Reserve Program (CRP), tailored to specific watershed areas.

SAFE practices serve to restore wildlife habitat by establishing small blocks of grassland (10-40 acres) and enhancing existing habitats. Certain wildlife species are in decline and SAFE habitats are designed to help revitalize these populations.

Under CRP, farmers and ranchers enroll eligible land in 10--to 15-year contracts. Continued on Page 3 SAFE

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These plantings help prevent soil and nutrients from running into regional waterways and affecting water quality. The long-term vegetative cover also improves wildlife habitat and soil quality.

In addition to the annual rental payment and cost-share, SAFE may offer participants an upfront one-time CRP signing incentive payment (SIP) of \$100 per each SIP-eligible acre and a practice incentive payment when cost share is made.

For more information, contact the local FSA office.

## Marketing Assistance Loans

A Marketing Assistance Loan (MAL) is available for producers who share in the risk of producing the crop. To be eligible, a producer must maintain continual beneficial interest in the crop from harvest through the earlier of the date the loan is repaid or CCC takes title to the commodity. Beneficial interest means retaining the ability to make decisions about the commodity; responsibility for loss or damage to the commodity; and title to the commodity. Once beneficial interest in a commodity is lost, the commodity is ineligible for loan — even if the producer regains beneficial interest.

Commodity loan eligibility also requires compliance with conservation and wetland protection requirements; beneficial interest requirements, acreage reporting and ensuring that the commodity meets Commodity Credit Corporation minimum grade and quality standards. For commodities to be eligible they must have been produced by an eligible producer, be in existence and in a storable condition and be merchantable for food, feed or other uses as determined by CCC. The quality of the commodity in farm storage must be maintained throughout the term of the loan.

Producers do not have to participate in the Direct and Counter-Cyclical and/or ACRE Programs to be eligible for commodity loans.

Violating provisions of a marketing assistance loan may trigger administrative actions, such as assessing liquidated damages, calling the loan and denial of future farm-stored loans.

*The most common violations are removing or disposing of a commodity being used as loan collateral without prior*

*authorization and providing an incorrect quantity certification.*

## Loans for the Socially Disadvantaged

FSA has loan programs available to assist applicants to begin or continue in agriculture production. Loans are available for operating type loans and/or purchase or improve farms or ranches.

While all qualified producers are eligible to apply for these loan programs, the FSA has provided priority funding for members of Socially Disadvantaged Applicants.

A socially disadvantaged applicant is one of a group whose members have been subjected to racial, ethnic or gender prejudice because of his or her identity as members of the group without regard to his or her individual qualities.

For purposes of this program, socially disadvantaged groups are women, African Americans, American Indians, Alaskan Natives, Hispanics, Asian Americans, and Pacific Islanders.

If producers or their spouses believe they would qualify as socially disadvantaged, they should contact the local FSA office for details.

## Rural Youth Loans

FSA makes loans to rural youths to establish and operate income-producing projects in connection with 4-H clubs, FFA and other agricultural groups. Projects must be planned and operated with the help of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. Loans may not exceed \$5000.

### Youth Loan Eligibility Requirements:

- Be a citizen of the United States (which includes Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands) or a legal resident alien;
- Be 10 years to 20 years of age;
- Comply with FSA's general eligibility requirements;
- Reside in a rural area, city or town with a population of 50,000 or fewer people
- Be unable to get a loan from other sources;
- Conduct a modest income-producing project in a supervised program of work as outlined above;

Stop by the county office for help preparing and processing the application forms.

[Name] County FSA  
Office  
Address Line 2  
Address Line 3



PRESORTED STANDARD  
U.S. POSTAGE PAID  
CITY, STATE  
PERMIT #XXX

## Succession in Interest

If you have made any changes that affect your interest in base acres since you signed your last Direct and Counter-cyclical Program contract, you must report these *successions-in-interest* to the county committee by Sept. 30, so a determination can be made on who is eligible for the program. Changes that qualify as a succession-in-interest include:

- A sale of land
- A change of operator or producer, including an increase or decrease in the number of partners
- A foreclosure, bankruptcy or involuntary loss of the farm.
- A change in producer shares to reflect changes in the producer's share of the crop(s) that were originally approved on the contract.

If a succession-in-interest has taken place, you, as the “predecessor,” are required to refund any advance DCP payments you received for the affected base acres before a payment can be made to the “successor.” Not reporting a succession-in-interest can result in contract termination and a loss of program benefits for all producers involved.

Selected Interest Rates for September 2011	
90-Day Treasury Bill	0.125%
Farm Operating - Direct	2.125%
Farm Ownership - Direct	4.625%
Limited Resource	5.00%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	1.50%
Emergency	3.75%
Farm Storage Facility (based on terms)	1.875- 2.875%
Sugar Storage Facility	3.125%
Commodity Loans 1996-Present	1.125%

Dates to Remember	
1 Sept.	2010 ACRE Certification Deadline
30 Sept.	Succession in Interest Report to County Office

USDA is an equal opportunity provider and employer.